



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

October 18, 2011

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## **ASSESSMENT OF COUNTY EMPLOYEE RESPONSE TO CHANGE IN SAVINGS BOND PROGRAM (ITEM NO. 13, AGENDA OF MARCH 22, 2011)**

On March 22, 2011, on motion of Mayor Michael D. Antonovich and Supervisor Mark Ridley-Thomas, your Board directed the Chief Executive Office (CEO) to survey employees about the U.S. Savings Bonds program previously offered through payroll deduction. The Board specifically directed that the review determine whether or not employees felt the transition to on-line or other means of purchasing U.S. Savings Bonds has been successful.

As further outlined below, the survey results indicate a high percentage of interest in re-establishing a County-run payroll deduction program for purchase of the new electronic Savings Bonds. Unless otherwise directed by your Board, we will work with the Auditor-Controller to identify the one-time and ongoing costs of such a program and return to your Board with recommendations.

### **Background**

For many years, the County of Los Angeles offered a U.S. Savings Bonds program in which employees were able to purchase paper bonds through payroll deduction. In 2010, the Department of the Treasury notified the County that it would no longer offer a paper Savings Bonds program to local governments, conducted through payroll deduction, effective January 1, 2011.

On December 6, 2010, a memorandum prepared by this Office regarding discontinuation of the paper Savings Bonds payroll deduction program was sent to all department heads directing them to distribute the memorandum to employees via an

*"To Enrich Lives Through Effective And Caring Service"*

**Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only**

e-mail blast. Flyers with information on how employees could continue to purchase Savings Bonds also were created and distributed to all departments. The flyers were posted on County bulletin boards accessible to employees.

At present, County employees have two options for purchasing U.S. Savings Bonds. They may purchase bonds by signing up on-line at [www.treasurydirect.gov](http://www.treasurydirect.gov), or they may purchase them from a local banking institution. However, the U.S. Treasury had advised that they are phasing out the paper Savings Bonds at banks as well.

### **Employee Survey**

As directed by your Board, this Office conducted a survey of employees who previously purchased Savings Bonds through payroll deduction using the County's Enterprise Survey Solution, jointly operated by CEO-Information Technology Section and the Chief Information Office. Approximately 5,000 employees purchased Savings Bonds through payroll deduction as of December, 2010; the survey was sent to 2,062 of these employees (roughly 40 percent) to ascertain their experience with the new Savings Bonds purchase procedures.

We have summarized the results below; the attached Executive Summary provides charts depicting these results in greater detail:

- The survey included seven questions and garnered a response rate of more than 50 percent, significantly better than the conventional survey response rate of between 20 and 25 percent.
- More than 75 percent of the employees who responded to the survey were in favor of the County re-establishing a payroll deduction program to purchase U.S. Savings Bonds.
- In comparing different options for purchase of Savings Bonds, employees who completed the survey clearly preferred that the County re-establish a payroll deduction Savings Bonds program (75 percent), rather than use an outside vendor (less than 100 employees).

In other survey results, nearly 300 employees felt that the Treasury Direct website was too difficult and/or too much trouble to use; and 100 employees indicated they did not have access to a computer to use Treasury Direct, and other options were not viewed as convenient. Approximately 400 employees have not had a chance to purchase any Savings Bonds since the County program was discontinued.

Each Supervisor  
October 18, 2011  
Page 3

## **Conclusion**

Based on the employee survey, and unless otherwise directed by your Board, we will work with the Auditor-Controller to determine estimated start-up and ongoing costs for re-establishing a self-funded payroll deduction program for the purchase of U.S. Savings Bonds and return to your Board with recommendations.

Please let me know if you have any questions, or your staff may contact Martin Zimmerman or Victoria Pipkin-Lane at (213) 974-1326 or (213) 974-2495, or at [mzimmerman@ceo.lacounty.gov](mailto:mzimmerman@ceo.lacounty.gov) or [vpipkin@ceo.lacounty.gov](mailto:vpipkin@ceo.lacounty.gov), respectively.

WTF:EFS:MKZ  
VPL:dmt

## **Attachment**

c:     Executive Office, Board of Supervisors  
       Auditor-Controller

Savings Bond Status Report 10-2011

## Countywide U.S. Savings Bonds Survey

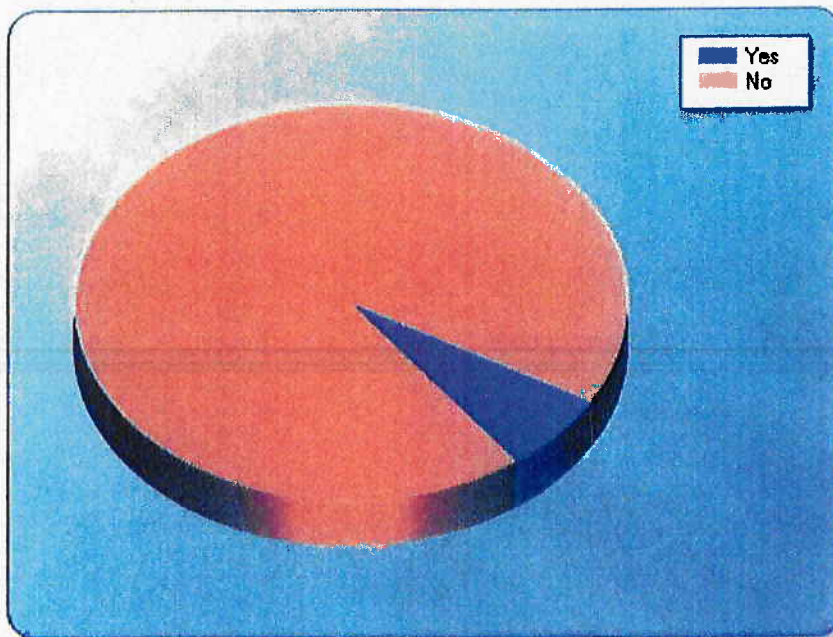
Type: Executive Summary Report

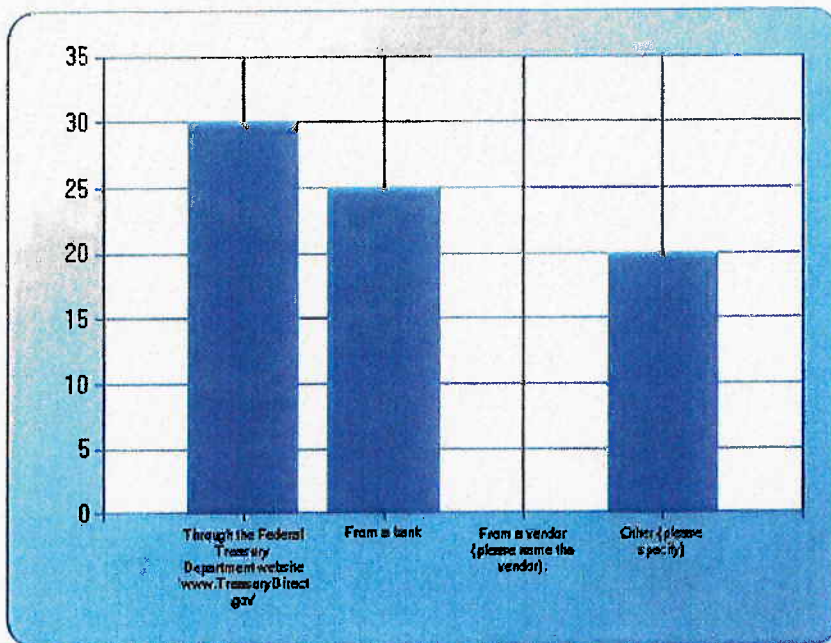
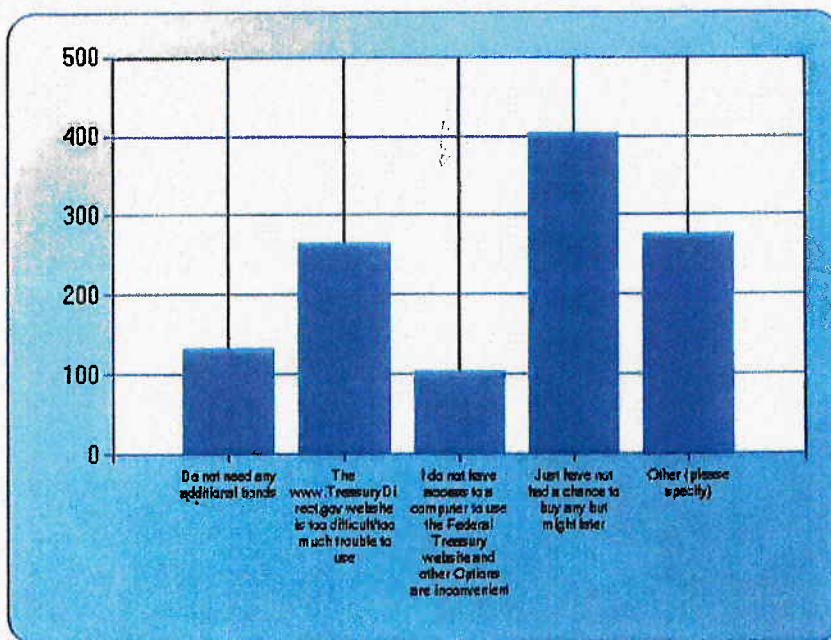
Date: 9/8/2011

Total number of responses collected: 1128

**Additional Bonds:** According to our records, you previously participated in the County's savings bond program. Have you purchased additional bonds since the program terminated in December 2010?

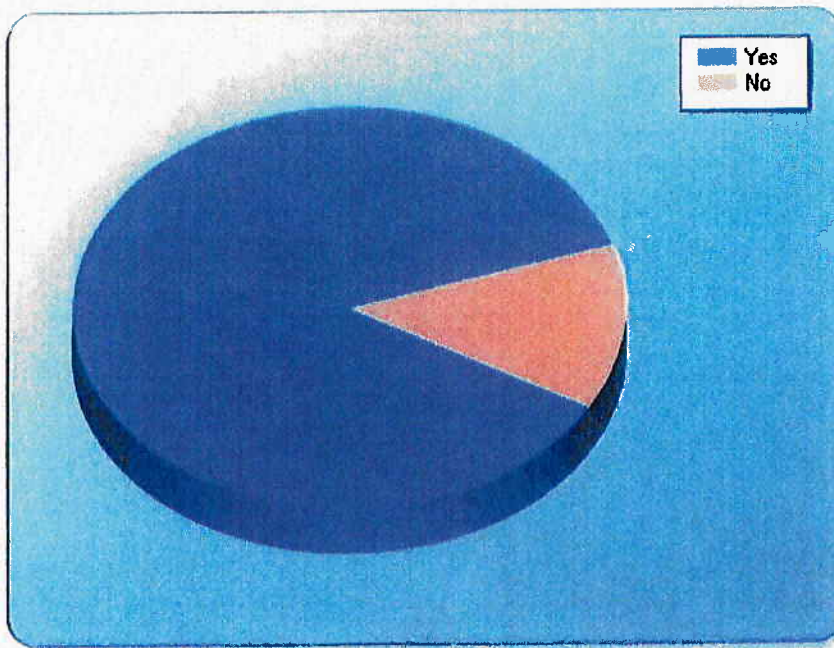
(Respondents could only choose a **single** response)



**HowPurchases:** How have you purchased bonds (select all that apply):(Respondents were allowed to choose **multiple** responses)**WhyNot:** Why have you not purchased any additional bonds (select all that apply)?(Respondents were allowed to choose **multiple** responses)

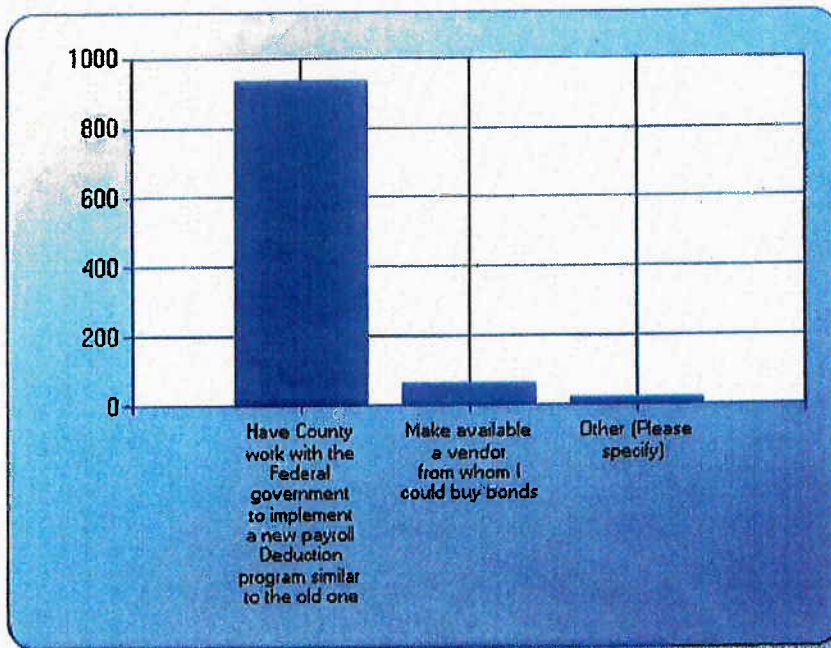


**Interested:** If the County were to reestablish a savings bond program, would you be interested?  
(Respondents could only choose a **single** response)



**Operate:** How would you like it to operate:

(Respondents were allowed to choose **multiple** responses)



**Comments:** Do you have any comments about the old savings bond program or any new program which might be developed that you would like to share?

**Response**

If we want to save, we can use payroll deduction into a credit union. Bonds are interesting, but unnecessary.

Former savings bond program was a convenient method of participating in a government that benefited both the feds and individual purchasing bond. It also was an easy, little impact, long term way to save money and at the same time support our national government.

The availability of a vendor to purchase bonds, answer questions, and solve concerns would be a great asset.

The program helps to save funds for kids' education. However, not too many financial firms are interested to participate the program. So it makes the redemption process kind of difficult.

I moved but the savings bonds kept going to the old address.

Payroll deduction is a simple, easy process. The savings bonds are a convenient savings method to save for a child's college education.

I prefer to receive the paper savings bond in the mail and the new program does not allow that.

no I don't have any comments

It is a good investment, and you know your money is in a safe place. It also encouraged you to save for the future. I hope you will think of putting it into effect a new payroll deduction program. Savings bond really help us.

Payroll Deduction savings bonds made it so easy for me to save. I use the bonds for emergency issues.

**Valid Responses** 530

**Total Responses** 1128

Displaying 1-10 of 530

